

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

---

In re:

Residential Funding Company, LLC

Debtor

Case No.: 12-12019 and

12-12020-mg Chapter

11

JOINTLY

ADMINISTERED

MOTION OF CITY OF EVANSDALE IOWA  
FOR ENTRY OF AN ORDER MODIFYING THE  
AUTOMATIC STAY TO ALLOW CONDEMNATION

Table of Exhibits

Exhibit A –Proposed Iowa District Court Petition

Exhibit B –Form of proposed Order Modifying the Automatic Stay to Allow Condemnation

City of Evansdale, Iowa, hereby moves for entry of an order, pursuant to §362(d) (2) of Title 11 of the United States Code (the “Bankruptcy Code”), modifying the automatic stay to permit condemnation of real property located at 115 Joy Dr., Evansdale, IA, and legally described as:

Lot 6 (six), “Leroy Court”, an addition to Evansdale, Black Hawk County, Iowa

for the reasons set forth below and granting related relief, and in support thereof respectfully represents as follows.

The Bankruptcy Case

1. The Debtor and its related affiliates (collectively, the “Debtors”) filed Chapter 11 petitions on May 14, 2012 (the “Petition Date”) with the United States Bankruptcy Court for the Southern District of New York (the “Court”) and continued in the operation of their businesses and properties as debtors in possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

2. On May 16, 2012, the Office of the United States Trustee appointed an Official Committee of Unsecured Creditors (the “Committee”) in this case, which consists of the following members: (i) Wilmington Trust, N.A., (ii) Deutsche Bank Trust Company Americas, (iii) The Bank of New York Mellon Trust Company, N.A., (iv) MBIA Insurance Corporation, (v) Rowena L. Drennen, (vi) AIG Asset Management (U.S.), LLC, (vii) U.S. Bank National Association, (viii) Allstate Life Insurance Company, and (ix) Financial Guaranty Insurance Company. [ECF Dkt. #102].

### Jurisdiction

3. The Court has jurisdiction over the Debtor's case and this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the "Amended Standing Order of Reference" M10-468 dated January 31, 2012 by Chief District Court Judge Loretta A. Preska. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The statutory predicate for the relief sought herein is 11 U.S.C. §362(d)(2).

### Background

5. The City of Evansdale is an incorporated municipality in the state of Iowa and a creditor herein, by virtue of services provided to the real property which is owned by Residential Funding Company, LLC.

6. Said real estate owned by the debtor is a state of extreme disrepair, is a health hazard, is of no benefit to the debtor's estate and is in point of fact a liability. Specifically:

- a. Debtor acquired title to the property November 7, 2007.
- b. Gas and electric utilities, services were terminated April 11, 2008. Water service to the property was terminated approximately November 8, 2007.
- c. The property is vacant and unfit for human habitation because of black mold and the presence of birds, bats and vermin in the property. The property is in disrepair due to falling ceilings and open access to the attic, allowing wildlife to enter.
- d. Special assessments in the amount of \$4,168.50 are currently past-due. Additional property maintenance charges are due to the City of Evansdale in the amount of approximately \$1,000.00.

Movement seeks to condemn said real property and obtain clean title to it, so it may be demolished, as it constitutes a nuisance and health hazard. A copy of movements proposed petition to condemn said property in the Iowa District Court is attached hereto, marked exhibit "A".

### Relief Requested

7. The automatic stay prevents entities from taking any action that would interfere with property of a debtor or its estate but not should not be used to perpetuate a public nuisance and health hazard.

8. The debtor has no equity in said property and the property is not necessary to an effective reorganization.

9. Movement requests relief from 11 USC section 362 for the purpose proceeding with condemnation against the referenced real estate.

### Notice

10. Notice of this Motion has been served upon (a) the Debtors and their counsel, (b) counsel to the Committee, (c) the Office of the United States Trustee for the Southern District of New York, and (d) those parties who filed a request for notice in the Debtors' cases.

WHEREFORE, The City of Evansdale respectfully requests that this Court enter an order, substantially in the form annexed hereto as Exhibit B, modifying the automatic stay solely to permit the movant to proceed in Iowa District Court pursuant to Iowa Code section 657A.10A to obtain title to said property free and clear of the interest of the Debtor herein such other and further relief as may be just and proper.

Dated: Waterloo, Iowa  
May 14, 2013

/s/ Michael C. Dunbar  
Michael C. Dunbar, AT 000 2212  
Attorney for the City of Evansdale  
531 Commercial Street, Ste. 500  
Waterloo, IA 50701  
Telephone: (319) 233-6327  
Fax: (319) 233-0346  
mcdunbar@cfu.net

IN THE IOWA DISTRICT COURT FOR BLACK HAWK COUNTY

CITY OF EVANSDALE,	)	
	)	CASE NO. _____
Petitioner,	)	
	)	
vs.	)	
	)	PETITION
RESIDENTIAL FUNDING )		
COMPANY, LLC, QUICK CASH )		
INC., BLACK HAWK COUNTY, )		
IOWA,	)	
	)	
Respondents.	)	

---

COMES NOW the petitioner, City of Evansdale, by and through its attorney,  
Craig Ament, and states to the court as follows:

1. The City of Evansdale is a municipality located in Black Hawk County, Iowa.
2. The property which is the subject matter of this suit is 115 Joy Drive,  
Evansdale, Iowa, and legally described as follows:  
Lot 6, "Leroy Court", an addition to Evansdale, Black Hawk County, Iowa.
3. There is situated upon this property a building which is abandoned, vacant  
and dilapidated within the meaning of Iowa Code §657A.10A(3).
4. The respondent, Residential Funding Company, LLC, has an interest in this  
property in that it is the deedholder.
5. The respondent, Quick Cash, Inc., has an interest in this property in that it is  
the tax certificate holder.
6. The respondent, Black Hawk County, may have an interest in this property  
due to delinquent taxes and/or assessments against the property.

7. This Petition is being filed pursuant to Iowa Code §657A.10A. The petitioner is requesting the court find that the property has been abandoned and that the court enter judgment awarding title of the entire property to the petitioner free and clear of all liens and encumbrances.

WHEREFORE, the petitioner, City of Evansdale, prays the court determine that the property is abandoned within the meaning of Iowa Code §657A.10A, and that the court enter judgment against all respondents granting the City of Evansdale title to the property free and clear of all claims, liens or encumbrances.

AMENT LAW FIRM

---

Craig Ament AT0000489  
311 East Fourth Street  
P.O. Box 325  
Waterloo, Iowa 50704  
319-232-2700; Fax 319-232-2788  
amentlaw@clientsfirst.us  
Attorney for Petitioner

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

---

Case No. 12-12019 and  
12-12020-mg Chapter 11

IN RE:

Residential Funding Company, LLC

JOINTLY ADMINISTERED

Debtor.

**ORDER MODIFYING THE AUTOMATIC STAY  
TO ALLOW CONDEMNATION**

Upon the motion (the "Motion") made by City of Evansdale, for entry of an order, pursuant to §362(d)(1) of Title 11 of the United States Code (the "Bankruptcy Code") modifying the automatic stay to permit the condemnation of real property legally described as:

Lot 6 (six), "Leroy Court", an addition to Evansdale, Black Hawk County, Iowa

AND notice of the Motion having been served upon (a) the Debtors and their counsel, (b) counsel to the Committee, (c) the Office of the United States Trustee for the Southern District of New York, (d) the Office of the United States Attorney General, (e) the Office of the New York Attorney General, (f) the Office of the United States Attorney for the Southern District of New York, (g) each of the Debtors' prepetition lenders, or their agents, (h) each of the indenture trustees for the Debtors' outstanding notes issuances, (i) counsel to Ally Financial Inc., (j) counsel to the administrative agent for the Debtors' providers of debtor in possession financing, (k) Nationstar Mortgage LLC and its counsel, (l) the Internal Revenue Service, (m) the Securities and Exchange Commission, (n) each entity that has an ownership interest in or a lien or encumbrance on any of the Mortgages, and (o) those parties who filed a request for notice in the Debtors' cases, as set forth on the affidavit of service of the Motion heretofore filed with this Court, which notice is good and sufficient notice of the relief requested in the Motion under the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local **Rules of this Court and this Court's Order Under Bankruptcy Code Sections 102(1), 105(A) And 105(D), Bankruptcy Rules 1015(C), 2002(M) and 9007 and Local Bankruptcy Rule 2002-2 Establishing Certain Notice, Case Management and Administrative Procedures dated May 23, 2012** (ECFDkt. #141];

AND the Court having reviewed the Motion; and a hearing on the Motion having

been held on June10, 2013 (the "Hearing"): and no objections to the Motion having been filed;

AND the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and after due consideration of the Motion and upon the record of the Hearing; and sufficient cause appearing therefor, it is hereby

**ORDERED**, that the Motion is granted as set forth herein; and it is further

**ORDERED**, that the automatic stay is hereby lifted to permit the condemnation of real property legally described as: Lot 6 (six), "Leroy Court", an addition to Evansdale, Black Hawk County, Iowa

Dated: June12, 2013

UNITED STATES BANKRUPTCY JUDGE

## File a Motion:

[12-12019-mg Residential Funding Company, LLC](#)

### U.S. Bankruptcy Court

### Southern District of New York

#### Notice of Electronic Filing

The following transaction was received from Michael C. Dunbar entered on 5/14/2013 at 4:31 PM and filed on 5/14/2013

**Case Name:** Residential Funding Company, LLC

**Case Number:** [12-12019-mg](#)

**Document Number:** [11](#)

#### Docket Text:

Motion for Relief from Stay filed by Michael C. Dunbar on behalf of Michael C. Dunbar. with hearing to be held on 6/12/2013 at 10:00 AM at Courtroom 501 (MG) Responses due by 6/5/2013, (Dunbar, Michael)

The following document(s) are associated with this transaction:

**Document description:**Main Document

**Original filename:**MOTION FOR RELIEF.pdf

**Electronic document Stamp:**

[STAMP NYSBStamp\_ID=842906028 [Date=5/14/2013] [FileNumber=12599128-0]  
[1cd71606f6ad13d87c005330d4ae4870984c2f043af13d30ad1a5afa9079fd06e4d2  
f0f32283c0828727d7dc6bb1bb1d715dda66f04dc40d03833ebc8ffe3838]]

#### 12-12019-mg Notice will be electronically mailed to:

Rebecca E Boon on behalf of Plaintiff Bayerische Landesbank  
rebecca.boon@blbglaw.com

Michael C. Dunbar on behalf of Unknown Michael C. Dunbar  
mdunbar@cfu.net, mcdunbar@cfu.net

Stefan W. Engelhardt on behalf of Defendant Residential Funding Company, LLC  
docketny@mofo.com

Christopher L. Hawkins on behalf of Defendant Judy Faber, Vice President U.S. Bank National Association  
chawkins@bradleyarant.com

Jason Craig Hegt, on behalf of Defendant Ace Securities Corp.  
jason.hegt@lw.com, rachel.feld@lw.com;jessica.bengels@lw.com;jason.grossman@lw.com

Lorenzo Marinuzzi on behalf of Debtor Residential Funding Company, LLC  
lmarinuzzi@mofo.com



Lauren A McMillen on behalf of Plaintiff Bayerische Landesbank  
lauren@blbglaw.com, Katherine.Stefanou@blbglaw.com

Richard Owens on behalf of Defendant Ace Securities Corp.  
richard.owens@lw.com, jessica.bengels@lw.com; rachel.feld@lw.com

Norman Scott Rosenbaum on behalf of Defendant Residential Funding Company, LLC  
nrosenbaum@mofo.com

David L Wales on behalf of Plaintiff Bayerische Landesbank  
dwales@blbglaw.com, errol.hall@blbglaw.com

James P. Watkins on behalf of Defendant Judy Faber, Vice President U.S. Bank National Association  
jwatkins@babco.com

Jamie Lynne Wine, on behalf of Defendant Ace Securities Corp.  
jamie.wine@lw.com, jessica.bengels@lw.com; rachel.feld@lw.com

**12-12019-mg Notice will not be electronically mailed to:**

CRA International Inc.

,

Larren M. Nashelsky on behalf of Debtor Residential Funding Company, LLC  
Morrison & Foerster LLP  
1290 Avenue of the Americas  
New York, NY 10104

Fedelina Roybal-Deaguero 2008 Trust  
42265 Little Lake Road  
Medocino, CA 94560

United States Trustee  
33 Whitehall Street  
21st Floor  
New York, NY 10004